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For Immediate Release

Real Estate Investment Trust:

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Notice Concerning Signing of An Agreement with Gakken Cocofump Holdings

The board of AD Investment Management Co., Ltd. (ADIM), the asset manager of Advance Residence Investment Corporation (ADR) has approved at today's board meeting to sign an agreement between ADIM and Gakken Cocofump Holdings Co., Ltd. (GCH) regarding current GCH's property holdings and properties GCH will acquire in the future (GCH property.)

1. The Content of the Agreement and the Effect on ADR

The agreement stipulates that GCH will offer "first look" to ADR through ADIM on GCH property, at the time GCH decides to dispose any of the GCH property, and that ADR will good consideration on acquiring the GCH property based on the offer.

By enabling ADR to have a first look on disposition information on registered senior housing with supportive services (RSHSS) which are considered to be a high-grade asset within the growing senior market, the agreement will promote ADR's drive to secure stable revenues and achieve asset growth over the medium and long term by investing in residential real estate through diversified investments throughout Japan in all types of residential properties, in accordance to the asset management target and investment policy of the Articles of Incorporation of ADR.

2. Company Profile of GCH

GCH is a subsidiary of Gakken Holdings Co., Ltd. which is a Tokyo Stock Exchange listed company. GCH is a holding company which holds Gakken Cocofump Group's operating companies which are providers of service in area of adult nursing, senior housing, child care and human resources. It also functions as the headquarter of the operating companies by providing shared administrative services and devise business plan for the operating companies.

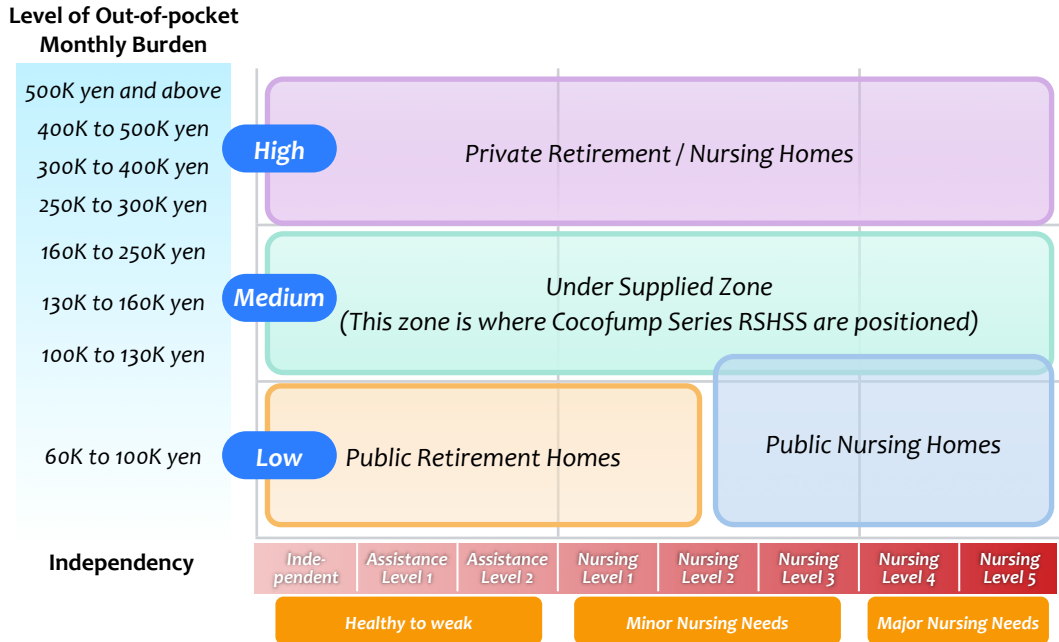
Gakken Cocofump Corporation, an operating company of GCH, which was established on May 15, 2008, is a leading operator of RSHSS. It plans and develop RSHSS, provide certified nursing services, nursing planning services, provide business franchises, lease real estate and other related businesses. It has a solid track record as an operator having to operate 34 RSHSS situated mainly in Tokyo metropolitan area.

Trade name	Gakken Cocofump Holdings Co.,Ltd
Head office location	Gakken Building, 2-11-8 Nishi-Gotanda, Shinagawa-ku, Tokyo
Principal business	Holding or management of businesses that plan and develop nursing homes and registered senior housing with supportive services, provide certified nursing services, nursing planning services, provide business franchises, lease real estate, provide management or management consulting services to child day care and provide HR management service. It also provides shared administrative services to business it holds.
Representative	Hitoshi Kobayakawa, President and Representative Director
Capital	¥420 million (as of March 31, 2013)
Date of Establishment	July 20, 2004
Stock Listing	Unlisted
Relationship with ADR or its asset management company	None

Trade name	Gakken Cocofump Corporation
Head office location	Gakken Building, 2-11-8 Nishi-Gotanda, Shinagawa-ku, Tokyo
Principal business	Plan, develop and manage registered senior housing with supportive services, provide certified nursing services, nursing planning services, provide business franchises, lease real estate and other related businesses.
Representative	Hitoshi Kobayakawa, President and Representative Director
Capital	¥361.4 million (as of March 31, 2013)
Date of Establishment	May 15, 2008
Stock Listing	Unlisted
Principal business	Holding or management of businesses that plan and develop nursing homes and registered senior housing with supportive services, provide certified nursing services, nursing planning services, provide business franchises, lease real estate, provide management or management consulting services to child day care and provide HR management service. It also provides shared administrative services to business it holds.
Relationship with ADR or its asset management company	None

3. What is a Registered Senior Housing with Supportive Services (RSHSS)

There are private nursing homes and other homes and facilities built as senior housing other than RSHSS.

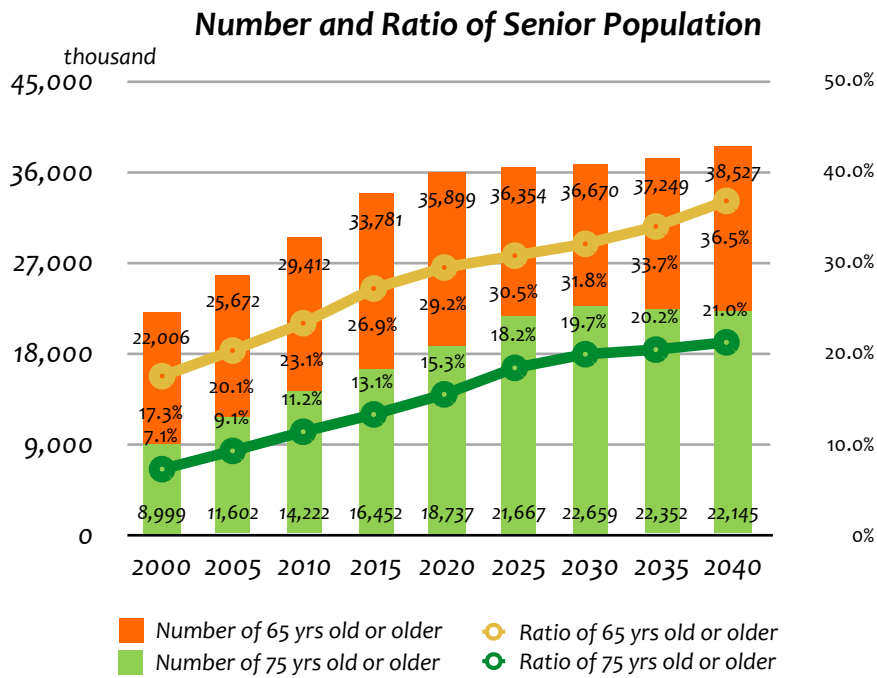


Source: Gakken Cocofump's website

According to the Article 5 Section 1 of the Act on Securement of Stable Supply of Elderly Persons' Housing, an RSHSS service provider is a senior housing operator or a housing operator provided in the Article 29 Section 1 on the Act on Social Welfare for the Elderly, where the operator rents to the elderly the rentable residential area and where it provides monitoring service, consultation service and other services meeting elderly daily necessities and welfare. The housing of such operation is called "Registered Senior Housing with Supportive Services."

An RSHSS was newly institutionalized on Oct. 2011 to provide elderly citizens who are insecure of their future well being with reasonable and secure housing against the back drop of rapidly aging society and where the existing elderly welfare and housing system could not provide. Because the RSHSS is under joint jurisdiction of the Ministry of Land, Infrastructure, Transport and Tourism and the Ministry of Health, Labour and Welfare, and where they are aiming to have 600 thousand RSHSS in ten years from now, it is hoped that it will help to alleviate the shortage of Special Nursing Homes where 400 thousand elderlies are thought to be on the waiting list nationwide.

Reference on Aging Population (source: Gakken Cocofump's website)

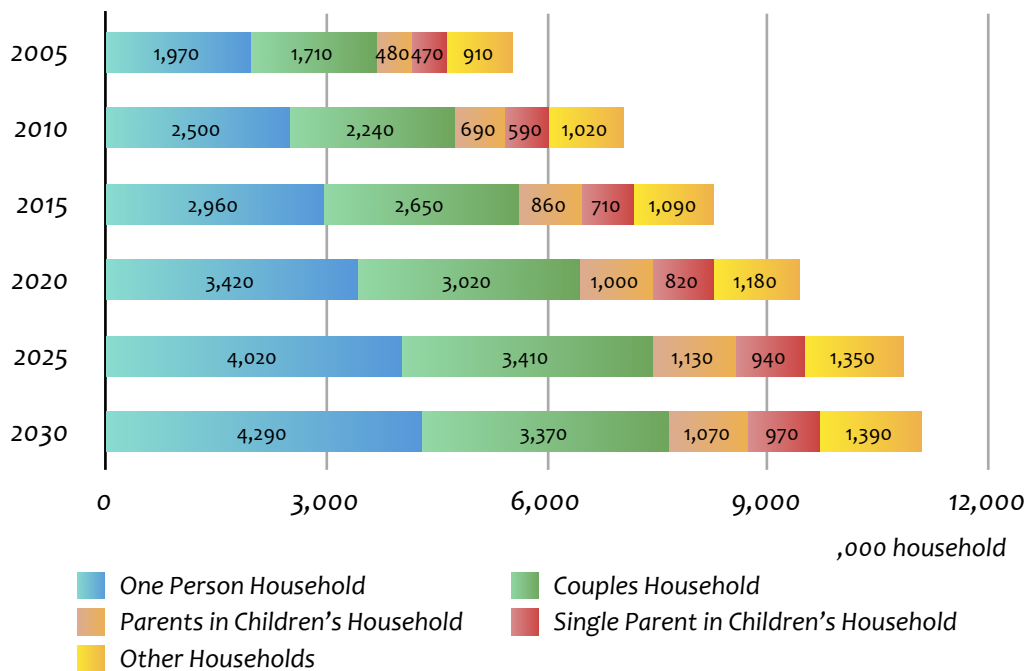


Source:

For Actual Figures: 2004 Census, Ministry of Internal Affairs and Communications

For Projected Figures: Projection of Household Number in Japan (Mar. 2008 Projection), National Institute of Population and Social Security Research

Types of Household of 75 Years or Older Seniors



Source: Projection of Household Number in Japan (Mar. 2008 Projection), National Institute of Population and Social Security Research

4. “Cocofump Series”, the RSHSS of Gakken Cocofump

Cocofump was founded in an aim to provide elderly citizens with services and secure housing, located in an area where they can continue to live in a familiar neighborhood, with basic concept of the operation as listed below, even before the RSHSS System was established.

The Basic Concept

- ▶ No upfront lump payment
- ▶ Market level rent
- ▶ 24/7 staffed service
- ▶ Providing privacy
- ▶ Providing reasonable medical and nursing care
- ▶ Providing good meal

The Five Basic Services

- ▶ Nursing Service
- ▶ Emergency Service
- ▶ Meal Service
- ▶ Living Assistance Service
- ▶ Reception Service

Cocofump Difference

- ▶ No upfront lump payment (only two month deposit)
- ▶ Life long contract (no renewing of rental contract, the tenant can live out his life if he wishes at the residence)
- ▶ Reasonable cost
- ▶ 24/7 staffed care service (by certified care-taker, not by a security service company)
- ▶ Providing privacy (It will not enter into private quarters without permission unless on emergencies)
- ▶ On premises care assistance and nursing office
- ▶ Untied nursing services (the tenant can choose freely any services available including the same service provider that the tenant used before becoming a resident at Cocofump homes)
- ▶ Accessible building with good level of equipments (nurse call button, hand rails, fire sprinkler, etc.)
- ▶ Accepts couples as tenant

5. Future Outlook

The effect of the signing of the agreement to the management performance forecasts announced on March 15, 2013 in the 5th Period *Tanshin* preliminary financial report for the fiscal period ending July 2013 (from February 1, 2013 to July 31, 2013) and the fiscal period ending January 2014 (from August 1, 2013 to January 31, 2014) is negligible. Therefore the forecasts remain unchanged.

- *The original Japanese version of this material is released today to the Kabuto Club (the press club of the Tokyo Stock Exchange), the ministry of Land, Infrastructure and Transport Press Club, and the Ministry of Land, Infrastructure and Transport Press Club for Construction Publications.*
- URL: <http://www.adr-reit.com>

[Provisional Translation Only]

English translation of the original Japanese document is provided solely for information purposes.

Should there be any discrepancies between this translation and the Japanese original, the latter shall prevail.